



STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

Board of Land and  
Natural Resources  
State of Hawaii  
Honolulu, Hawaii

KAUAI

CONSENT TO ASSIGNMENT OF HARBOR LEASE NO. H-87-29, AS  
AMENDED, AT NAWILIWILI HARBOR, KAUAI

**STATUTE:** Section 171-36, Hawaii Revised Statutes.

**ASSIGNOR:** Kauai Petroleum Co., Ltd.

**ASSIGNEE:** Tesoro Hawaii Corporation

**CHARACTER OF USE:** Storage and distribution of petroleum products.

**AREA:** 57,297 square feet together with a subsurface non-exclusive pipeline easement of 2,822 square feet.

**LOCATION:** Adjacent to Pier 2, Nawiliwili Harbor, Lihue, Kauai, TMK: 4th/3-2-04:16, as shown on Exhibit "A," also being a portion of Governor's Executive Order No. 509.

**RENTAL:** \$58,984.00 per annum.

**LEASE TERM:** From January 1, 1988 up to and including December 31, 2022.

**REMARKS:**

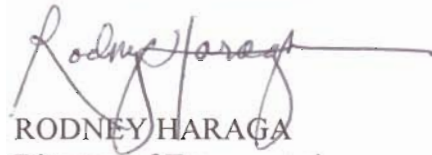
Kauai Petroleum Co. Ltd. (KPC) has entered into a Purchase and Sale Agreement (PSA) dated May 4, 2006 (copy of said agreement appended to the basic file) with Tesoro Hawaii Corporation (THC) under which THC will purchase substantially all of its assets in exchange for THC stock. The PSA provides that the subject lease, as amended, be assigned by KPC to THC. As such, the Harbors Division is requesting the consent to assignment of the subject lease from KPC to THC. This lease pre-dates the assignment premium provision, and as such, there is no assignment premium.

**RECOMMENDATION:**

That the Board consent to the assignment of the above described lease subject to the terms and conditions outlined above and incorporated herein by reference and subject to:

1. Review and approval by the Office of the Attorney General.
2. Such other terms and conditions as may be prescribed by the Director of Transportation that best interest the State.

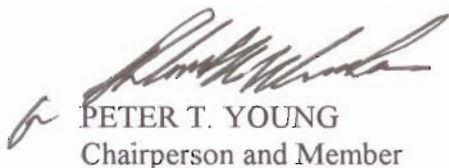
Respectfully submitted,



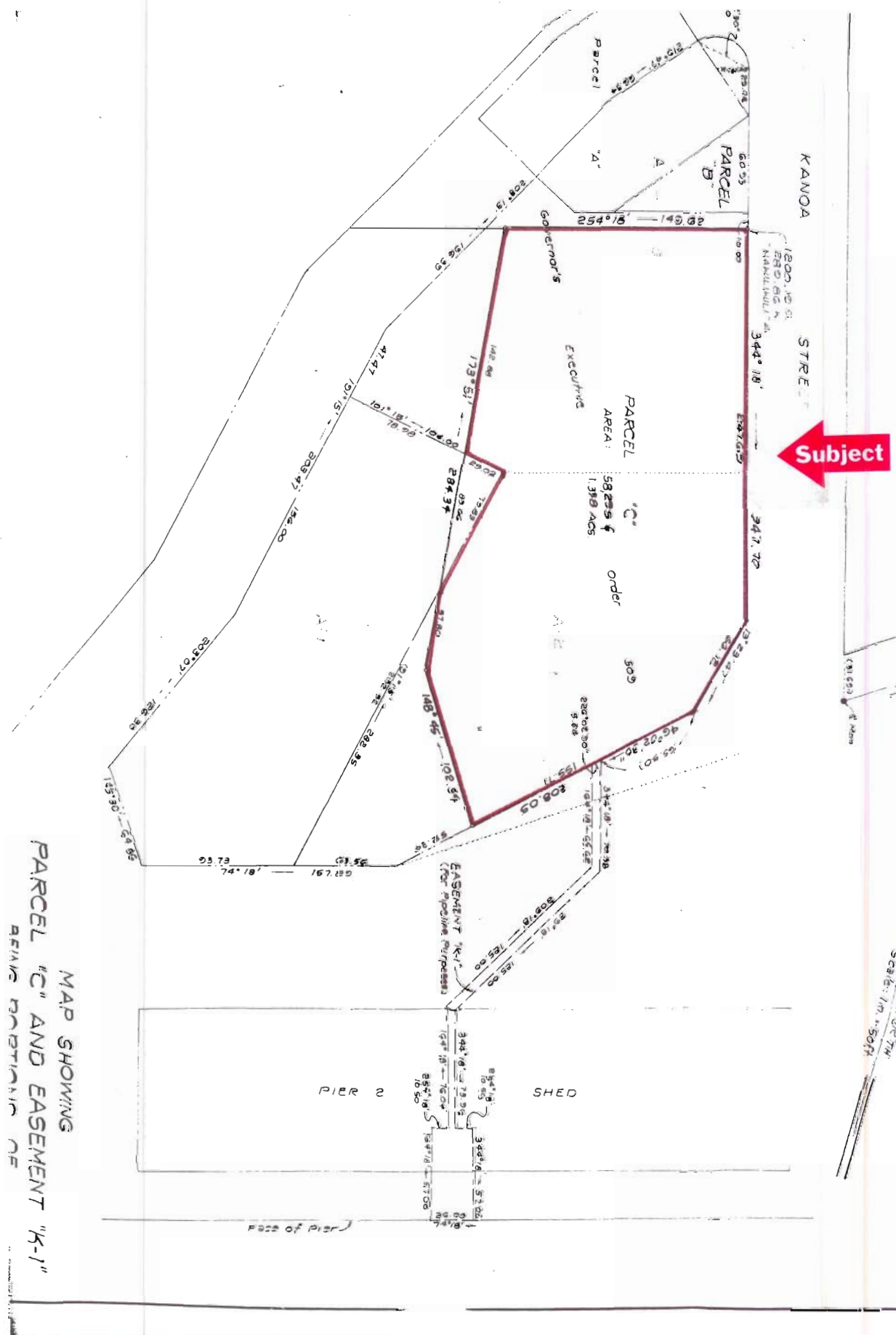
RODNEY HARAGA  
Director of Transportation

Attachment

APPROVED FOR SUBMITTAL:



PETER T. YOUNG  
Chairperson and Member



MAP SHOWING  
 PARCEL "C" AND EASEMENT "K-1"  
 DEFINING PORTION OF